

The Recovery Act in Michigan

January 2010



The American Recovery and Reinvestment Act (Recovery Act), signed by President Obama on February 17, 2009 is an aggressive nationwide effort to create and save jobs and transform our economy.

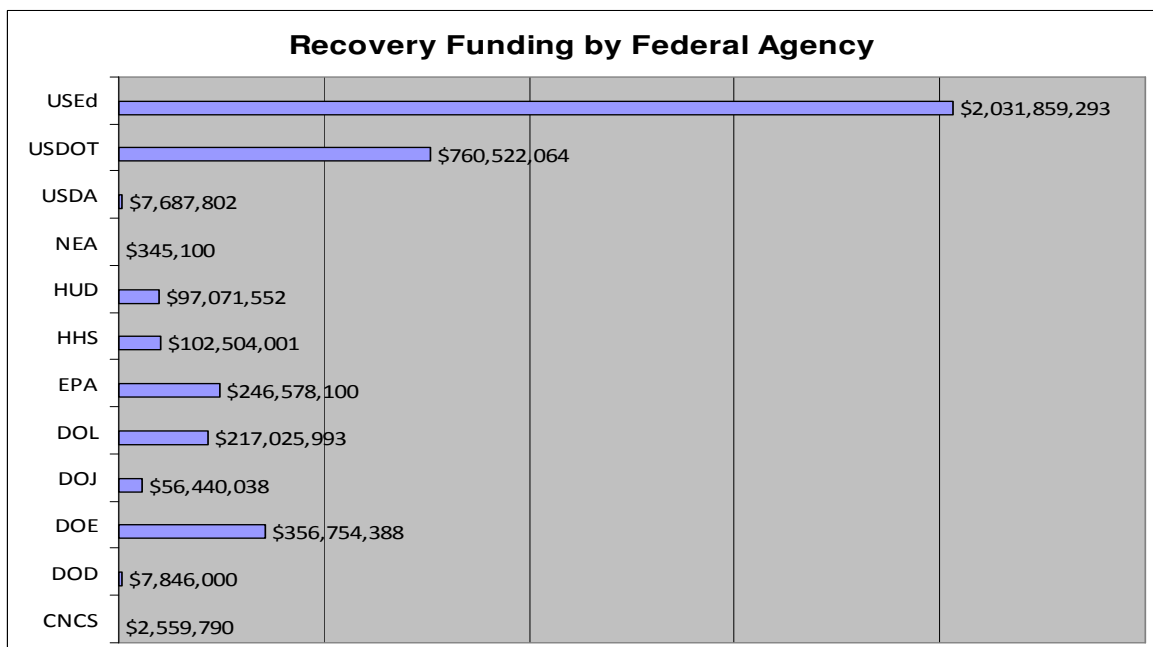
In Michigan, these funds provide a one-time opportunity to accelerate our plan to create jobs and diversify our economy. While Recovery Act funds will not resolve all of the challenges we face, this initiative is a critical step toward putting people back to work and investing in our long-term success.

The federal government requires an unprecedented level of data reporting and transparency regarding the spending of these funds. In Michigan, we too are committed to transparency and accountability in our expenditure of Recovery Act funds so citizens will know we are investing them wisely and responsibly on their behalf.

Section 1512 Reporting: January 15, 2010

Section 1512 of the Recovery Act requires that recipients of funding submit quarterly reports on their activities and spending. By statute, these reports are due to the federal government ten days after the close of each quarter. However, the federal government permitted five additional days, to January 15, 2010, for submitting the second Section 1512 reports (representing activities in the fourth quarter of 2009) because new job calculation guidance was issued by the U.S. Office of Management and Budget (OMB) on Dec. 18, 2009, after many schools had already closed for the holidays.

Thirteen state of Michigan agencies received funding under the Recovery Act from a variety of federal agencies, detailed in the chart below. Totals are through Dec. 31, 2009.



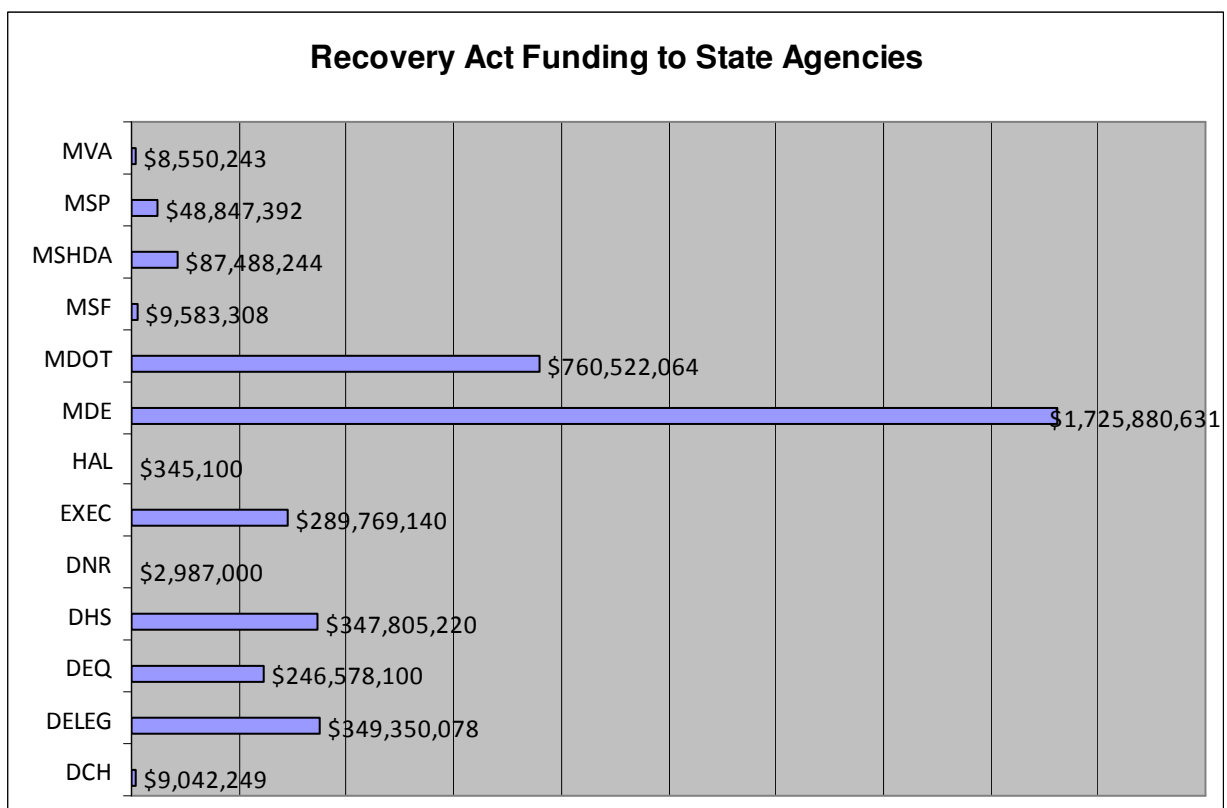
Under federal guidelines, state agencies that received Recovery Act funding were required to submit a separate report for each federal funding award they received. The Michigan Departments of Community Health, Environmental Quality, Human Services, Transportation, Natural Resources, Education, State Police, History, Arts & Libraries, Military & Veterans Affairs and Energy, Labor & Economic Growth along with the Executive Office, Michigan Strategic Fund and the Michigan State Housing Development Authority submitted a combined 586 reports.

In addition, non-state agencies, including municipal governments, universities, community colleges, tribal governments, non-profit organizations and for-profit companies are required to submit reports for each award they received through the Recovery Act.

NOTE #1: None of the spending activities reported by these non-state agencies are included in the statistics that follow. All reports from non-state agencies will be available to the public on January 30, 2010 at www.Recovery.gov.

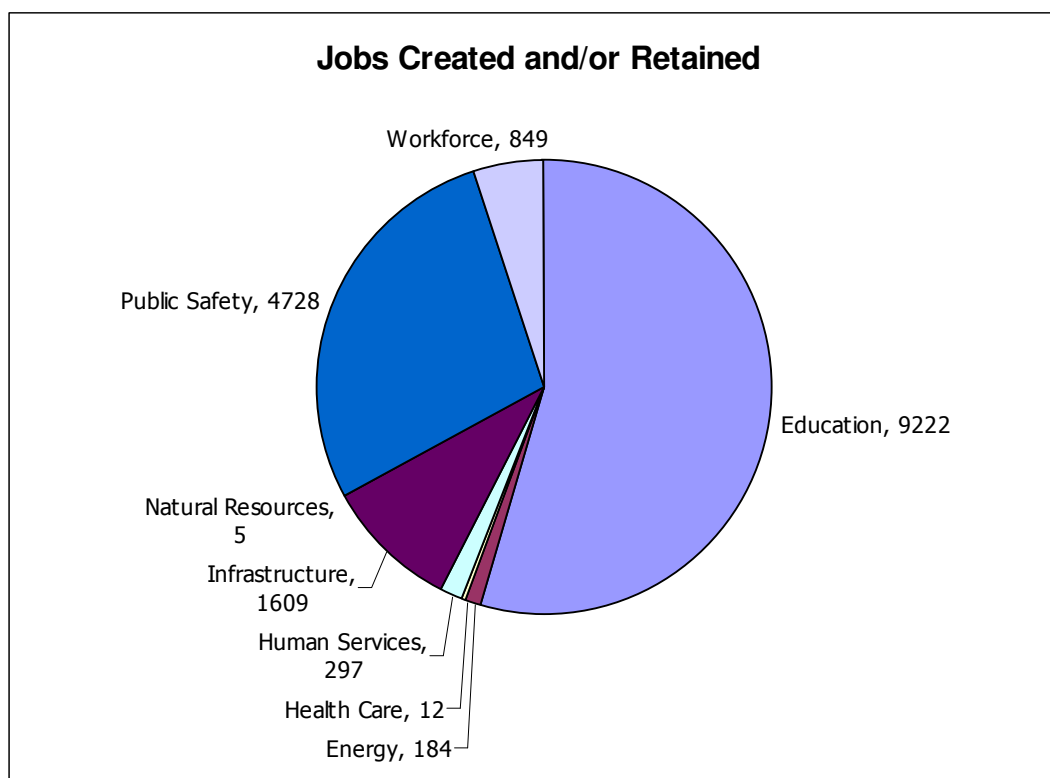
The state of Michigan's 586 reports showed:

- **\$3,886,748,769 has been allocated to state agencies in programs required to report.** The chart below highlights allocation by agency through Dec. 31, 2009.



- **\$1,432,996,245 has been spent to date by state agencies and their sub-recipients in programs that must submit Section 1512 reports.**

- **16,906 jobs created or retained through spending in programs required to report.**
The chart below details job creation by category for the fourth quarter of 2009.



NOTE #2: All recipients have a 10 day review period during which they can edit their reports. As a result, all data should be considered preliminary until the close of the review period on January 22, 2010.

New Jobs Calculation Methodology

The number of jobs created and/or retained reflected in this report was calculated using a different methodology than what was used for the October 2009 report. The number of jobs reported here represents the number of actual work hours paid for with Recovery Act funds in the fourth quarter of 2009 (Oct. 1 through Dec. 31, 2009). Recipients divided the number of hours worked in the reporting period by the hours in a full-time schedule for one quarter to determine the number of full-time equivalent (FTE) positions funded with Recovery Act dollars for the quarter.

Because the jobs were calculated differently, the numbers reported in January cannot be compared with or added to the number of jobs reported in October. The October reporting period job estimates captured employment activity that would not have occurred without the enactment of the Recovery Act. The January reporting period captured actual hours worked and paid for with Recovery Act funds in the last quarter of 2009.

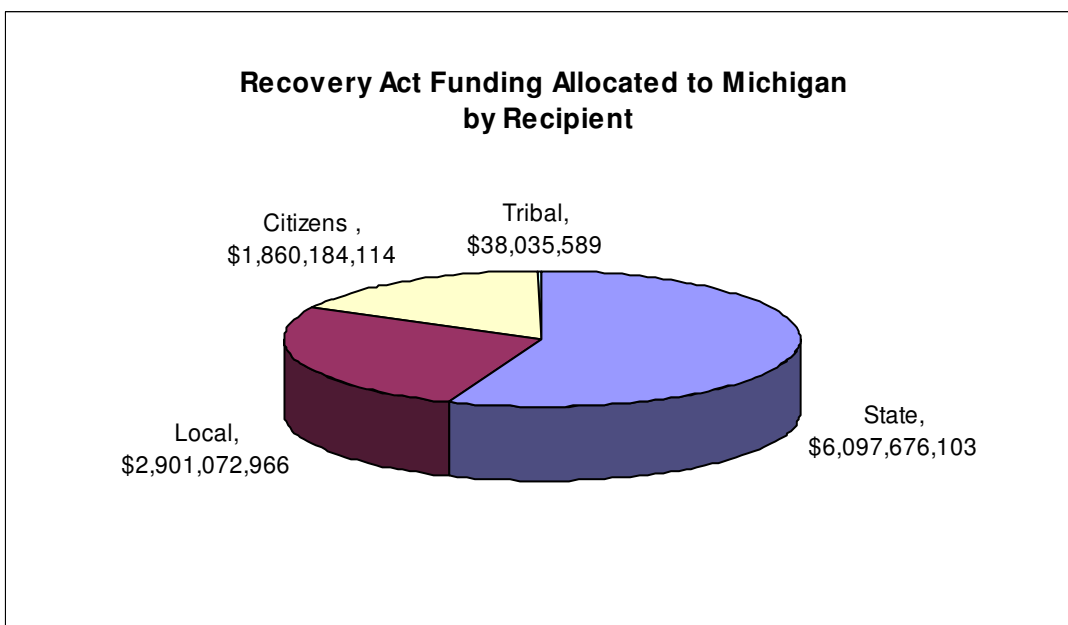
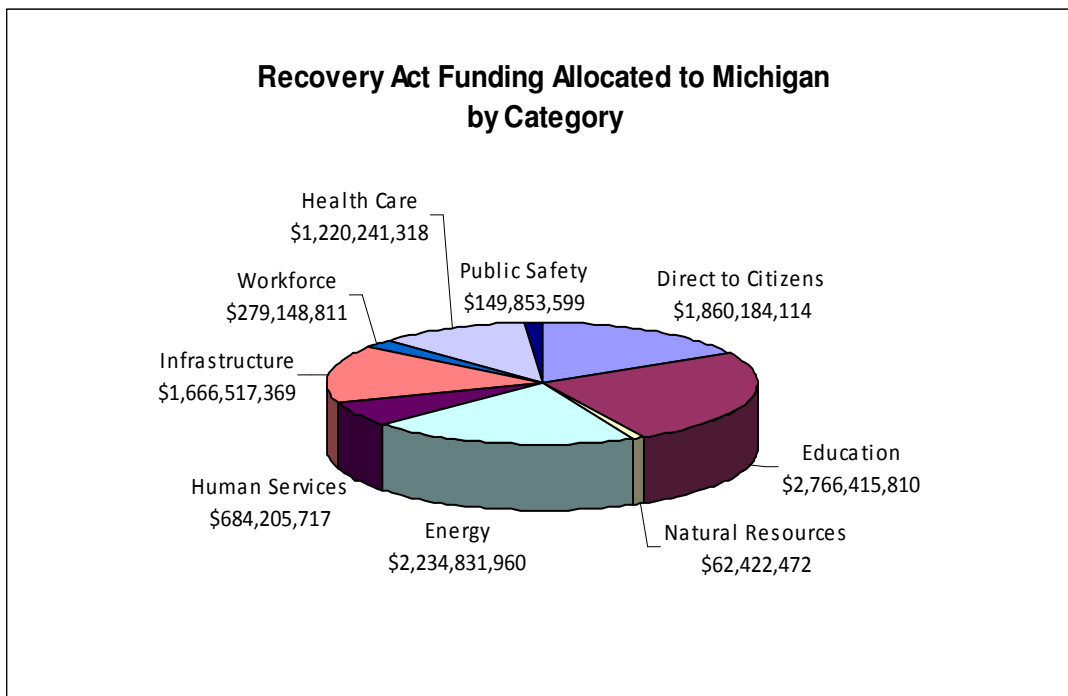
Additional Recovery Act Spending in Michigan

Not all programs receiving Recovery Act funding are required to submit Section 1512 reports. Entitlement programs, payments made directly to individuals and tax provisions are not covered by Section 1512. Major programs not included in the Section 1512 reports include Medicaid, unemployment benefits and food assistance payments.

In addition, funding provided directly to local communities, institutions of higher education, non-profit organizations, tribal governments and others is not captured in the state reports.

As a result, the information contained in the state's Section 1512 reports represents only a portion of the overall impact of the Recovery Act.

Overall, Michigan recipients have been allocated more than \$10.9 billion from the Recovery Act to date, including funding that goes directly to citizens through programs such as those listed on the previous page. The charts below detail the allocations by program category and receiving entity.



The current economic climate has created many challenges for Michigan's families and communities. The Recovery Act is helping meet those challenges by providing critical funding for our economic priorities: job creation, health care, education and job training, social service programs and more.

Michigan Priorities Supported by the Recovery Act

This Recovery Act focus on sparking the new energy economy aligns with Michigan's own long-term effort to boost the state's alternative and renewable energy industries. The Recovery Act has provided the investment necessary to accelerate the plan developed by Governor Granholm to diversify the state's economy and create jobs for Michigan workers in this rapidly expanding sector.

The significant investment in Michigan by the Obama administration recognizes the potential of combining Michigan's unique natural resources and world-class workforce to establish a hub for the development and production of the 21st century energy and automotive technologies that will power the future.

To date, the U.S. Dept. of Energy (DOE) has invested more than \$1.4 billion of Recovery Act funds in private sector companies in Michigan to support the design, development and manufacture of products such as advanced batteries and electric vehicles, fuel cells, wind turbine components and photovoltaic cells.

Jobs in alternative energy and renewable energy companies often require specialized training. In August of 2008, the Governor launched the Green Jobs Initiative, part of the state's signature No Worker Left Behind workforce training program, designed to train job seekers in the skills they'll need to land jobs in Michigan's new energy economy. The Recovery Act, with its emphasis on growing the alternative and renewable energy economy, is providing additional resources to train Michigan workers for jobs in green industries.

With the added support of the Recovery Act, Michigan is well on its way to becoming the center of the nation's new energy economy.